

BUDGET, FINANCE & INVESTMENT COMMITTEE

June 4, 2009

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Bob Bullen
Comm. Joe Frank Jernigan
Comm. Will Jordan
Comm. Steve Sandlin
Comm. Doug Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
Teb Batey
Lisa Nolen
Truman Jones
Lois Miller
Wanda Watkins

Others Present:

Regina Nelson
Chris Fly
Alan Miller
Andre Fresco
Mary Schneider
Jeff Sandvig

Others Present:

Elaine Short

Chairman Ealy presided and called the regular meeting of the Budget Committee to order at 5:30 P.M. with Commissioner Peay being absent.

APPROVE MINUTES:

The minutes of the May 18 and May 19, 2009 Budget Committee meetings were presented for approval.

Comm. Bullen moved, seconded by Comm. Jernigan to approve the minutes as presented. The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that the LGIP interest rate for the month was .77%. Mr. Batey advised that there had been no bids during the past month, but a bid was scheduled for next week.

Comm. Bullen moved, seconded by Comm. Jernigan to approve the monthly Investment Report as presented. The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

Finance Director Lisa Nolen presented the monthly Fund Condition Report for the month ending May 31, 2009 for the information and use of the committee advising that the Development Tax collections for the month were \$103,500, and the year-to-date collections were \$2,478,000. This compared to the same period last year when the monthly collections totaled \$344,250, and the year-to-date collections were \$3,774,750.

The committee reviewed the fund cash balances which totaled \$188,552,594 with operating funds totaling \$132,243,022 and borrowed funds totaling \$56,209,572. This compared to the same month last year when the total cash balances were \$157,430,885 with operating funds totaling \$125,785,073 and borrowed funds totaling \$31,645,812.

Mrs. Nolen brought the committee's attention to the 2005 Smyrna Health Department Project with a balance of \$655.84. She advised that later in the meeting she would be requesting to close the project.

Mrs. Nolen advised that this was the meeting where all of the revenue accounts would be adjusted based on the estimated actual revenue received.

The Finance Director advised that as of the end of May 86.57% of the total appropriations had been expended in the General Fund. At the end of May, 2008, 85.35% of the expenditures had been spent. At the end of May, 2007 84.82% of the expenditures had been spent. At the end of May, 2006, 84.39% of the expenditures had been spent. She stated that told her that the budgets have been getting tighter and tighter, and therefore, more of the budgets were being spent. She stated that last year when the books were closed 97.6% of the General Fund was spent. She

advised that at the end of this Fiscal Year, if 98% of the budget was spent, she would expect between \$1.4 million and \$1.8 million to be returned.

She advised that as of the end of May 89.87% of the General Purpose School Fund had been spent. For the same period of time last year 88.4% of the budget had been spent.

Following review, Comm. Jernigan moved, seconded by Comm. Bullen to approve the Fund Condition Report as presented. The motion passed unanimously by acclamation.

INSURANCE REPORT:

Mrs. Lois Miller, Insurance Director, presented the monthly Insurance Report for the use and information of the committee advising that approximately \$3.3 million in claims was paid out through the health insurance for the month of May. The cost per employee per month for the month of May was \$732.11 with the average for the year being \$613.94. For the same time period last year, the cost per month per employee was \$532.44. The claims cost on the health insurance was running about 15% above last year. She stated that the large claims totaled \$8.8 million through April. She stated that was about \$4 million ahead of the same period last year. She advised that the dental program was stable.

Regarding the CareHere Program, the visits were down slightly, and the cost per visit was approximately \$76.34 with the average cost per visit being \$79.17.

Mrs. Miller reviewed the Workers' Compensation Program, advising that the claims cost for the month of May reflected a large negative amount of \$685,199.42. She attributed this to a reduction in the reserve. Because of this, the Workers' Compensation program was running at about 37% of last year. If the release of the reserve was not taken into account, the program would be running at 11% above last year.

Mrs. Miller provided information describing the reserve requirement. She explained that every other year, the state required an actuary study. Significant improvement in the reserve requirement was due to decreased frequency and severity of injuries. The improvements were attributed to better safety awareness through training and education, focusing on problem cause of injury areas, and comprehensive claim management. She stated that the study did not reflect to any large degree the move to the On-the-Job Injury Program. She stated that in the future, as more studies were done, she would expect more decreases in the reserve requirement.

Following review, Comm. Jernigan moved, seconded by Comm. Sandlin to approve the Insurance Report as presented. The motion passed unanimously by acclamation.

RECOMMENDATION TO OFFER TOBACCO CESSATION PROGRAM TO SPOUSES COVERED UNDER MEDICAL PLAN:

Mrs. Miller advised that a review of the health risk assessment data demonstrated that there was a smoking prevalence of 12.2% of the employee population. CareHere administers an eight-week tobacco cessation program that includes review and discussion with a medical provider and a prescription for the drug Chantix. Of the four classes that have been held, there have been 33 participants with 28 of them completing the class. Twenty-three of those individuals remain quit. Total cost of the classes and materials is \$450 per enrollee. The participants pay \$150 to join the program, and that can be payroll-deducted over a three-month period. The eligibility is currently limited to employees only.

Mrs. Miller advised that she had received feedback from participants and employees who would like to participate if the Tobacco Cessation Program were open to spouses of employees.

The Insurance Committee has recommended that the eligibility for the Tobacco Smoking Cessation Program be opened to spouses of active Rutherford County employees beginning with the September 2009 session. The program would be the same as the employee program, and the

\$150 charge would be payroll deducted from the active employee's pay. Only those employees and spouses who are enrolled in the Rutherford County Health Plan would be eligible.

Comm. Shafer asked if the County should consider charging individuals the full \$450 if they do not complete the program.

Mrs. Miller stated that her concern was that if the individuals paid the full \$450 up front and then were reimbursed \$300 upon completing the program it would be too much for some people to pay at one time and that might stop them from considering the program. She stated that also, if the individuals paid \$150 up front, dropped out of the program, and then had another \$300 payroll deducted, she thought it would create the issue as to whether or not they could complete the program and therefore, it would be a hindrance to some people entering into the program.

Following discussion, Comm. Jordan moved, seconded by Comm. Jernigan to approve the recommendation of the Insurance Committee to allow spouses of active Rutherford County employees who are enrolled in the Health Insurance Plan to become eligible to participate in the Tobacco Cessation Program beginning with the September, 2009 session with the cost being the same as the employee program with \$150 to be payroll deducted from the active employee's pay, and the remaining \$300 to be paid by Rutherford County. The motion passed unanimously by roll call vote.

PROPERTY & CASUALTY INSURANCE RENEWAL:

Mrs. Miller presented information regarding the renewal of the county's property & casualty insurance effective July 1, 2009. She advised that there was a 14% increase in the building values for the county, which included the new Lane Agri-Park Community Center, the new Correctional Work Center, and the new Juvenile Detention Center.

The school's building values increased by 14%, as well, which included three new schools, including the new Brown's Chapel Elementary School.

On the casualty insurance, there was no increased exposure on vehicles. The general operating expenditures increased by 4%. The exposure on the crime policies increased by 9% due to the increased number of employees.

Mrs. Miller advised the carrier on the property insurance was Allianz, and that the premium rate would be increasing by 5% due to the increase in property values and building contents. The total premium would be \$367,590. She advised that given today's market she did not think a 5% increase was unreasonable, and the Insurance Committee recommended renewing the property coverage with the premium increasing by 5%.

Mrs. Miller advised that this was the third year of a three-year rate guarantee of \$9,113 for the crime coverage.

Mrs. Miller reminded the committee that a couple of years ago the carrier for the casualty coverage was changed to ACE USA, which saved approximately \$400,000. She stated that they had been very good to work with, and the county had received reasonable renewals. She stated that this year was no different with a 1.1% increase for a total premium cost of \$659,920. She reminded the committee that there was a 9% increase in the number of employees and a 4% increase in the operating costs.

She advised that the Insurance Committee voted unanimously to approve the renewals as presented.

Following review, Comm. Jernigan moved, seconded by Comm. Bullen to approve the property and casualty insurance renewals effective July 1, 2009 with Allianz being the carrier for the property insurance at a cost of \$367,590; Great American being the carrier for the crime coverage at a cost of \$9,113; and ACE USA being the carrier for the casualty coverage at a cost of \$659,920. The motion passed unanimously by roll call vote.

LIFE INSURANCE RENEWAL WITH HARTFORD:

Mrs. Miller requested approval of the life insurance renewal with Hartford effective January 1, 2010 as recommended by the Insurance Committee. She provided information showing the premiums paid for employees and the number of claims paid resulting in a loss ratio of 47.3%. She stated that was an excellent loss ratio.

However, Mrs. Miller advised that the loss ratio for the dependent insurance was 281.5%. When these two factors were combined, the loss ratio for the total program was 79.5%. When projecting that forward, Mrs. Miller advised that she would expect a premium renewal of 4%; however, the offer from Hartford was for the premium to remain flat. She advised that this would create an estimated saving of \$72,434. Mrs. Miller also advised that the life insurance would be bid next year.

Following review Comm. Shafer moved, seconded by Comm. Sandlin to approve the recommendation of the Insurance Committee to renew the life insurance with Hartford effective January 1, 2010 with no increase to the premium. The motion passed unanimously by roll call vote.

APPROVE HEALTH INSURANCE PREMIUM RATES FOR RETIREES:

Mrs. Miller advised that a review of the experience regarding the retirees' health insurance indicated that a 10% increase was needed for the pre-65 retirees' health insurance premium. The Insurance Committee also recommended a 7.5% increase to the health insurance premiums for the post-65 retirees effective January 1, 2010.

Mrs. Miller advised that the Pre-65 Retiree plans would include the same plan changes that were made to the Active Options one and two and the pharmacy plan. The post-65 Retiree plans would include the changes made to the pharmacy plan.

Comm. Sandlin moved, seconded by Comm. Jordan to approve the recommendation of the Insurance Committee to increase the Pre-65 Retirees' health insurance premiums by 10% and to increase the Post-65 Retirees' health insurance premiums by 7.5% effective January 1, 2010. The motion passed unanimously by roll call vote.

GENERAL FUND BUDGET AMENDMENTSREVENUE ADJUSTMENTS:

Finance Director Lisa Nolen requested approval of 2008-09 revenue adjustments for the General Fund, as outlined on the attached schedule, to the approximate actual to be received. Mrs. Nolen reviewed the line item detail, which resulted in \$2,461,007 in increases to various revenue accounts and \$3,006,359 in decreases to other revenue accounts. After considering that some of the revenue must be reserved, there would be a total reduction to the ending fund balance of \$2,116,392.

Following discussion, Comm. Jernigan moved, seconded by Comm. Jordan to approve the 2008-09 revenue adjustments for the General Fund resulting in a net decrease to the Undesignated Fund Balance of \$2,116,392. The motion passed unanimously by roll call vote.

GENERAL SESSIONS COURT:

Mrs. Wanda Watkins, General Sessions Court, requested approval of the following budget transfer to provide sufficient funding for the Office Supplies Account:

From: 101-53300-719 – Office Equipment -	\$637
To: 101-53300-435 – Office Supplies -	\$637

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget transfer for General Sessions Court as requested. The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT:

Sheriff Truman Jones and Chief Deputy Regina Nelson requested approval of the following budget amendments and transfers to transfer within the budget to cover estimated Communication expenses; to transfer \$20,000 from the Sheriff's Department Overtime Pay Account to the Jail Overtime Pay Account; to transfer within the budget to cover estimated Part Time Personnel expense; to transfer within the Sex Offender Registry budget to cover estimated expenses; to appropriate insurance proceeds in the Drug Control Fund budget to replace a totaled vehicle damaged from the tornado; and to transfer the related benefits for the overtime pay from the Sheriff's Department benefits to the Jail benefits:

From:	101-54110-140 – Salary Supplements -	\$2,800
	101-54110-312 – Contracts w/Private Agencies -	2,200
To:	101-54110-307 – Communications -	\$5,000
From:	101-54110-187 – Sheriff Dept. Overtime Pay -	\$20,000
To:	101-54210-187 – Jail Overtime Pay -	\$20,000
From:	101-54210-189 – Jail/Other Salaries & Wages -	\$ 2,000
To:	101-54210-169 – Jail/Part Time Personnel -	\$ 2,000
From:	101-54160-196 – In-Service Training -	\$ 500
To:	101-54160-599 – Other Charges -	\$ 500
Increase Revenue:	122-49700 – Insurance Recovery -	\$28,438
Increase Expend.:	122-54150-718 – Motor Vehicles -	\$28,438
From Sheriff's Dept.:	101-54110-201 – Social Security -	\$ 1,240
	101-54110-204 – State Retirement -	2,560
	101-54110-212 – Employer Medicare -	300
\ To Jail:	101-54210-201 – Social Security -	\$ 1,240
	101-54210-204 – State Retirement -	2,560
	101-54210-212 – Employer Medicare-	300

Comm. Shafer moved, seconded by Comm. Jernigan to approve the budget amendments and transfers for the Sheriff's Department, Jail, Sex Offender Registry, and the Drug Control Fund as requested. The motion passed unanimously by roll call vote.

EMERGENCY MANAGEMENT:

The Finance Director requested approval of the following budget amendment for the Emergency Management Department to provide sufficient funding for the Gasoline Account for the remainder of the Fiscal Year utilizing the Gasoline pool account that is available in the Miscellaneous Category for gasoline amendments:

From:	101-58900-425 – Miscellaneous/Gasoline -	\$2,500
To:	101-54430-425 – Emergency Mgmt./Gasoline -	\$2,500

Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget amendment as requested to transfer \$2,500 from the pooled gasoline account to the Emergency Management gasoline account. The motion passed unanimously by roll call vote.

JUVENILE DETENTION:

Mr. Chris Fly, Juvenile Detention, requested approval of the following budget amendments to provide sufficient funding for the Other Supplies & Materials Account and the Overtime Pay and related benefits in order to pay down compensatory time for employees who have accumulated 144 hours to 244 hours:

From:	101-54240-340 – Medical/Dental Services -	\$6,700
To:	101-54240-499 – Other Supplies/Materials -	\$5,200
	101-54240-187 – Overtime Pay -	1,245
	101-54240-201 – Social Security -	77
	101-54240-204 – State Retirement -	160
	101-54240-212 – Employer Medicare -	18
From:	101-54240-451 – Uniforms -	\$ 500
	101-54240-307 – Communications -	710
	101-54240-334 – Maintenance Agreements -	1,400
	101-54240-196 – In-Service Training -	4,000
To:	101-54240-187 – Overtime Pay -	\$ 5,570
	101-54240-201 – Social Security -	315
	101-54240-204 – State Retirement -	650
	101-54240-212 – Employer Medicare -	75

Comm. Jernigan moved, seconded by Comm. Bullen to approve the budget transfers for the Juvenile Detention Center to pay necessary overtime and the related benefits and to pay down the compensatory time for employees who have accumulated large balances. The motion passed unanimously by roll call vote.

CORRECTIONAL WORK CENTER:

Mr. Alan Miller, Correctional Work Center Superintendent, requested approval of the following budget transfers to provide adequate funding for the Other Contracted Services Account for estimated costs to ABL for laundry service and meal preparation, and to Southern Health Partners, and to also provide additional funding to cover an anticipated slight shortfall in the Communications Account. Funding was available in the Guards account, because the budget included funding for six detention officers for one-fourth of the year, and the positions will not be filled:

From:	101-54220-340 – Medical/Dental Services -	\$ 1,000
	101-54220-413 – Drugs/Medical Supplies -	5,000
	101-54220-160 – Guards -	30,300
To:	101-54220-399 – Other Contracted Services -	\$36,000
	101-54220-307 – Communications -	300

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget transfers for the Correctional Work Center as requested. The motion passed unanimously by roll call vote.

HEALTH DEPARTMENT:

Mr. Andre Fresco, Health Department Director, requested approval of the following budget transfer to provide sufficient funding for the Travel Account for the remainder of the Fiscal Year:

From:	101-55190-506 – Liability Insurance -	\$2,550
To:	101-55190-355 – Travel -	\$2,550

Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget transfer for the Health Department as requested. The motion passed unanimously by roll call vote.

OTHER PUBLIC HEALTH & WELFARE:

Mayor Burgess requested approval of the following budget amendment to provide adequate funding to pay for autopsies for the remainder of the Fiscal Year:

From: 101-39000 – Undesignated Fund Balance -	\$10,000
To: 101-55900-399 – Other Contracted Services -	\$10,000

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment for the Other Public Health & Welfare as requested. The motion passed unanimously by roll call vote.

OTHER CHARGES (COUNTY GARAGE):

Mayor Burgess advised that the County Garage purchased gasoline, which all departments use. The account is reimbursed from every department with the exception of Community Care, and their gasoline payments are deposited into Account 101-11442, Due from Component Units. Therefore, the account is experiencing a shortage. Mayor Burgess requested approval of the following budget transfers to provide additional funding for the Gasoline Account utilizing the pooled gasoline account in the Miscellaneous Category, and to provide additional funding for the Utilities Account to complete the remainder of the Fiscal Year:

From: 101-58900-425 – Miscellaneous/Gasoline -	\$10,000
To: 101-58400-425 – Garage/Gasoline -	\$10,000
From: 101-58400-418 – Equipment/Machinery Parts -	\$ 1,000
101-58400-499 – Other Supplies/Materials -	1,500
To: 101-58400-452 – Utilities -	\$ 2,500

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfers for the County Garage as requested to provide additional funding for the Gasoline Account and the Utilities Account. The motion passed unanimously by roll call vote.

EMPLOYEE BENEFITS:

The Finance Director requested approval of the following budget amendment to provide sufficient funding for the county's portion of the retiree's matching cost on insurance premiums:

From: 101-39000 – Undesignated Fund Balance -	\$3,500
To: 101-58600-299 – Other Fringe Benefits -	\$3,500

Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget amendment to provide sufficient funding for the county's portion of the retiree's matching cost on insurance premiums as requested. The motion passed unanimously by roll call vote.

MISCELLANEOUS:

The Finance Director requested approval of the following budget amendment to provide adequate funding to complete the Fiscal Year to pay the City of Murfreesboro for maintenance on the garage and civic plaza and for maintaining the landscaping:

From: 101-39000 – Undesignated Fund Balance -	\$10,000
To: 101-58900-335 – Maint./Repair Buildings -	\$10,000

Comm. Jordan moved, seconded by Comm. Shafer to approve the budget amendment as requested to provide adequate funding to complete the Fiscal Year to pay the City of

Murfreesboro for maintenance on the garage and civic plaza and for maintaining the landscaping. The motion passed unanimously by roll call vote.

The Finance Director requested approval of the following budget amendment to provide a transfer to the Self-Insurance Fund to pay liability claims for the county. A report of the outstanding liability claims indicates a total of \$1,316,240 with the County General's portion having the largest percentage:

From: 101-39000 – Undesignated Fund Balance -	\$500,000
To: 101-58900-505 – Judgments -	\$500,000

Comm. Bullen moved, seconded by Comm. Jernigan to approve the budget amendment as requested to provide a transfer to the Self-Insurance Fund to pay liability claims for the county. The motion passed unanimously by roll call vote.

APPROVE FAMILY DRUG COURT GRANT APPLICATION FOR DRUG COURT:

Ms. Mary Schneider, Drug Court Coordinator, was present to request approval to submit an application for a Family Drug Court Program through the U. S. Department of Justice, Office of Justice Programs, which will require a 25% local match. She advised that the match could be in-kind, and that the building could be used to cover the in-kind match. She stated that she had applied for the DUI Court Grant using the building as an in-kind match, and the Family Treatment Court. She stated that if she received both grants, there might be a problem providing the match.

Comm. Jordan stated that if more grants were received than could be matched, the county could decide to decline one of the grants.

Ms. Schneider advised that DUI Fines were also available to provide matching funds.

Comm. Jordan moved, seconded by Comm. Jernigan to authorize the County Mayor and other appropriate officials to submit an application for the Family Drug Court Program through the U. S. Department of Justice, Office of Justice Programs which will require a 25% local match. The motion passed unanimously by roll call vote.

DRUG TREATMENT RESOURCES FUND GRANT:

Ms. Schneider advised that for several years the Drug Court had received the Drug Treatment Resources Fund Grant from the State of Tennessee, Office of Criminal Justice Programs in the amount of \$50,000, which does not require any matching funds. She requested approval to submit an application for the Drug Treatment Resources Fund Grant and to authorize the County Mayor to execute the grant contract subject to it being awarded.

Comm. Sandlin moved, seconded by Comm. Shafer to authorize the County Mayor and other appropriate officials to submit an application to the State of Tennessee, Office of Criminal Justice Programs for the Drug Treatment Resources Fund Grant, and additionally, to authorize the County Mayor to execute the said grant contract subject to it being awarded. The motion passed unanimously by roll call vote.

SOLID WASTE/SANITATION FUND

REVENUE ADJUSTMENTS:

Chairman Ealy requested approval of revenue adjustments for the Solid Waste/Sanitation Fund, as outlined on the attached schedule, amending the revenue estimates to the approximate actual to be received, and to provide additional funding for the Trustee's Commission in the amount of \$2,220. The net increase to the Undesignated Fund Balance was \$173,990.

Comm. Jernigan moved, seconded by Comm. Jordan to approve the revenue adjustments for the Solid Waste/Sanitation Fund as presented, and to provide additional funding for the Trustee's Commission in the amount of \$2,220 with the net increase to the Undesignated Fund Balance being \$173,990. The motion passed unanimously by roll call vote.

RECYCLE REBATE GRANT, LANDFILL OPERATIONS & MAINTENANCE,
CONVENIENCE CENTERS & RECYCLING:

Finance Director Lisa Nolen requested approval of the following budget amendment to provide additional funding for the Recycling Solid Waste Equipment Account. This account is funded 50% from the Recycle Rebate Grant. She also requested approval of a budget transfer to provide adequate funding for the Landfill Communications Account to complete the Fiscal Year:

Increase Revenue:	116-46170 – Solid Waste Grants -	\$20,000
From:	116-55732-733 – Convenience Centers/Solid Waste Equip.-	20,000
To:	116-55739-733 – Recycling/Solid Waste Equipment -	\$40,000
From:	116-55754-348 – Postal Charges -	\$ 150
To:	116-55754-307 – Communications -	\$ 150

The Finance Director also requested approval of the following budget transfers to provide additional funding for the Utilities Account for the Convenience Centers and additional funding for the Recycling Other Contracted Services to complete the Fiscal Year:

From:	116-55732-355 – Convenience Ctrs./Maint./Repair Buildings -	\$ 1,500
To:	116-55732-452 – Utilities -	\$ 1,500
From:	116-55732-425 – Convenience Ctrs./Gasoline -	\$ 2,000
To:	116-55732-412 – Diesel Fuel -	\$ 2,000
From:	116-55739-302 – Recycling/Advertising -	\$ 2,500
	116-55739-499 – Other Supplies/Materials -	3,400
	116-55732-717 – Convenience Ctrs./Maint. Equipment -	3,250
	116-55732-709 – Convenience Ctrs./Data Processing Equip. -	1,000
	116-55732-411 – Convenience Ctrs./Data Processing Supplies -	200
	116-55732-399 – Other Contracted Services -	5,200
	116-55732-355 – Travel -	600
	116-55732-402 – Asphalt -	10,000
To:	116-55739-312 – Recycling/Contracts w/Private Agencies -	\$26,150

The last amendment to be presented was a request to provide additional funding for the Contracts w/Private Agencies Account utilizing additional revenue received from tipping fees as a result of the tornado:

Increase Revenue:	116-43110 – Tipping Fees -	\$40,000
Increase Expend.:	116-55754-312 – Landfill/Contracts w/ Private Agencies -	\$40,000

Following review, Comm. Jernigan moved, seconded by Comm. Bullen to approve the budget amendments for the Solid Waste Department as requested. The motion passed unanimously by roll call vote.

RUTHERFORD COUNTY SCHOOLS:

Mr. Jeff Sandvig, Assistant Superintendent, advised that he was requesting to increase the total petty cash for the Central Cafeteria Fund by \$155 from \$10,195.00 to \$10,350.00 to include the

new Brown's Chapel Elementary School Cafeteria and to increase the petty cash for Blackman High School by \$125.00.

Mr. Sandvig requested approval of a cleanup budget amendment regarding the Safe Schools Grant from the State and the related expenditures in the amount of \$40,332.

Mr. Sandvig next requested approval of a cleanup amendment for the state's Career Ladder and Extended Contract expenditures and to reduce the state revenues for the expenditures. The Career Ladder revenue and expenditures have been slowly dropping because of retirements. Mr. Sandvig requested that the Career Ladder revenue be increased by \$41,082, that the Extended Contract revenue be reduced by \$47,135, and that the Career Ladder and Extended Contract expenditures be reduced by \$6,053.

Mr. Sandvig next requested approval of a budget amendment to provide funding of \$642,500 for retirement incentives and \$49,151 for the related benefits. He advised that he was requesting to amend \$691,651 from the General Purpose School Fund balance in order to fund \$642,500 in retirement incentives and \$49,151 in related benefits. Mr. Sandvig advised that thirty-six teachers qualified for the incentive. The two classified employees who qualified were cafeteria employees and their incentive amount would be charged to that fund.

Mr. Sandvig next requested approval of an amendment to provide \$33,269 in additional pay for Adult Education teachers and \$4,681 for the benefits. He requested to amend \$37,950 in Other State Education Funds in order to fund \$33,269 in additional pay for Adult Education teachers and \$4,681 for the related benefits.

Mr. Sandvig next requested approval of a cleanup amendment with \$407,910 being amended to the Central Middle Renovation Building Improvements with the funding to be provided from the following projects: La Vergne Primary Renovation - \$229,046; Holloway High HVAC - \$28,862; Riverdale High addition - \$2; Rockvale Middle Equipment - \$150,000. Additionally, Mr. Sandvig requested approval to amend \$222,229 to Site Development for the future Rockvale High School with \$43,014 coming from the Holloway HVAC and \$179,215 from the Rockvale City/County Sewer project.

Mr. Sandvig advised that the revenues in the Central Cafeteria Fund were lower than projected, and the costs were lower than projected. He requested approval of a cleanup amendment for a net reduction in the revenue of \$786,386 and a net decrease in expenditures of \$1,032,000. The net effect of the amendment would increase the fund balance by \$245,614.

Following discussion, Comm. Jordan moved, seconded by Comm. Jernigan as follows:

1. To increase the 2009-2010 Centralized School Cafeteria Fund Petty Cash to \$10,350.
2. To amend \$40,332 in state Safe Schools revenue and the related expenditures.
3. To increase the Career Ladder revenue by \$41,082, reduce Extended Contract revenue by \$47,135, and reduce Career Ladder and Extended Contract expenditures by \$6,053.
4. To amend \$691,651 from the General Purpose Schools ending fund balance in order to fund \$642,500 in retirement incentives and \$49,151 in related benefits.
5. To amend \$37,950 in Other State Education Funds in order to fund \$33,269 in additional pay for Adult Education teachers and \$4,681 for the related benefits.
6. To amend \$407,910 to the Central Middle Renovation Building Improvements from available funds with \$229,046 from the La Vergne Primary Renovation; \$28,862 from the Holloway High HVAC; \$2 from Riverdale High addition; \$150,000 from Rockvale Middle Equipment; and to amend \$222,229 to site development for the future Rockvale High School with \$43,014 from the Holloway HVAC and \$179,215 from the Rockvale City/County Sewer Project.
7. To amend the Centralized Cafeteria Fund by a net reduction in revenues of \$786,386 and a net decrease in expenditures of \$1,032,000.

The motion passed unanimously by roll call vote.

DRUG CONTROL FUND REVENUE ADJUSTMENTS:

Chairman Ealy presented the revenue adjustments for the Drug Control Fund for approval with a net reduction to the Undesignated Fund Balance of \$142,000:

Increase Revenue:	122-40390 – Other Statutory Local Taxes -	\$ 13,000
	122-44110 – Investment Income -	2,000
Decrease Revenue:	122-42140 – Drug Control Fines –Circuit -	\$ 13,000
	122-42340 – Drug Control Fines-General Sessions-	60,000
	122-42910 – Proceeds from Confiscated Property -	84,000
Decrease Undesignated Fund Balance:	122-39000 -	\$142,000

Comm. Shafer moved, seconded by Comm. Jernigan to approve the revenue adjustments for the Drug Control Fund as presented with a net decrease to the Undesignated Fund Balance of \$142,000. The motion passed unanimously by roll call vote.

DEVELOPMENT TAX FUND:

Chairman Ealy next requested approval of revenue adjustments for the Development Tax Fund resulting in a net reduction to the Undesignated Fund Balance of \$892,500:

Decrease Revenue:	125-40285 – Development Tax -	\$878,000
	125-44110 – Investment Income -	14,500
Decrease Undesignated Fund Balance:	125-39000 -	\$892,500

Comm. Sandlin moved, seconded by Comm. Jordan to approve the revenue adjustments for the Development Tax Fund as requested with a net reduction to the Undesignated Fund Balance of \$892,500. The motion passed unanimously by roll call vote.

The Finance Director requested approval to close the balance of the Smyrna Health Department Project in the amount of \$655.84, and to transfer the balance back to the Development Tax Fund:

Increase Revenue:	125-49800 – Transfers In -	\$ 656
Increase Undesignated Fund Balance:	125-39000 -	\$ 656

Comm. Jordan moved, seconded by Comm. Sandlin to approve the request to close the Smyrna Health Department Project in the amount of \$655.84 and to return the funds back to the Development Tax Fund. The motion passed unanimously by roll call vote.

HIGHWAY FUND:

Chairman Ealy requested approval of revenue adjustments for the Highway Fund, as outlined on the attached schedule, resulting in a net decrease to the Undesignated Fund Balance of \$708,611.

Comm. Bullen moved, seconded by Comm. Jordan to approve the revenue adjustments for the Highway Fund with a net decrease to the Undesignated Fund Balance of \$708,611. The motion passed by roll call vote with Commissioner Jernigan voting “pass”.

GENERAL DEBT SERVICE FUND:

Chairman Ealy presented the revenue adjustments for the General Debt Service Fund for approval with additional funding being provided for the Trustee’s Commission in the amount of \$24,700 and a net increase to the Undesignated Fund Balance of \$167,674.

Comm. Bullen moved, seconded by Comm. Jernigan to approve the revenue adjustments for the Debt Service Fund, as outlined on the attached schedule, with additional funding being provided to the Trustee's Commission in the amount of \$24,700 and a net increase to the Undesignated Fund Balance of \$167,674. The motion passed unanimously by roll call vote.

The Finance Director requested approval of the following budget amendment to recognize the portion of the 2009 Bond and Note Proceeds to be used for the Underwriter's Discount and Other Debt Issuance Charges:

Increase Revenue:	151-49100 – Bond Proceeds -	\$325,509
	151-49200 – Note Proceeds -	81,500
Increase Expend.:	151-82310-605 – General Gov't Underwriters Discount -	\$ 10,047
	151-82330-605 – Education Underwriters Discount -	201,462
	151-82310-606 – General Gov't Other Debt Issuance -	9,286
	151-82330-606 – Education Other Debt Issuance -	186,214

Comm. Jordan moved, seconded by Comm. Jernigan to approve the General Debt Service Fund amendment to recognize the portion of the 2009 Bond and Note Proceeds to be used for the Underwriter's Discount and Other Debt Issuance Charges as requested. The motion passed unanimously by roll call vote.

ADJOURNMENT:

Chairman Ealy reminded the committee of the Public Hearing on the 2009-10 budget scheduled for Tuesday, June 9 at 7:00 P.M.

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 6:47 P.M.

Elaine Short, Secretary